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Still to testify: 'biggie' defense witnesses and Rewald

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Ten witnesses have testified for Ronald Rewald so far, and about 15 more will take the stand before Rewald himself tells his story next week, defense attorneys said yesterday.

"The biggies are yet to come?" U.S. District Court Judge Harold Fong inquired yesterday.

"Yes, your honor," said Brian Tamanaha, the assistant federal public defender who has carried the bulk of the defense case.



Rewald

One prospective "biggie" is author Ralph McGhee, a former CIA employee offered by the defense as an expert on CIA practices. Judge Fong is weighing the government's request that McGhee be barred from testifying on grounds he has no knowledge of the facts or relevant CIA practices.

Rewald, charged with fraud, tax evasion and perjury, admits taking money from investors under false pretenses, but says he did it under CIA authority to maintain a "cover" as a wealthy businessman. The CIA denies that, but admits using Rewald and his companies to help provide commercial cover for some personnel.

Two other witnesses — Napa, Calif., attorney Robert Jinks and former Rewald secretary Sue Wilson — were dropped by the defense yesterday because they have indicated they fear they are targets of criminal investigation and would therefore invoke their Fifth Amendment rights not to testify.

And Judge Fong quashed subpoenas for two other defense witnesses, former Honolulu FBI chief William Ervin and FBI agent Hal Marshall, who dealt with Rewald as a potential volunteer source before his company collapsed.

Those who testified for Rewald yesterday included:

- Secretary Myra Kaneshige, who said telephone calls to CMI and some other companies in the offices of Bishop Baldwin Rewald Dillingham & Wong were supposed to be routed to Sue Wilson, and that there was a "special" black telephone in Rewald's personal office, since identified as listed to a CIA backstop cover company.

- Secretary Patricia Gallo, who had testified earlier there was no connection between the \$15,000 Rewald gave her and her social and sexual relationship with him, said Rewald "didn't say yes or no" when she asked him once if he was in the CIA, but demanded to know where she had heard that, and got such an expression on his face that "it frightened me

... I'll never forget it."

Gallo said Rewald was "conservative in a classy way" and that "people really took advantage of his kindness" because they "knew he couldn't say no. It was always take, take, take."

- Rewald chauffeur Franklin Kipuli said he drove CIA Director Stansfield Turner from one end of the international airport to the other between planes after Rewald sent him to pick up the CIA's office director in Honolulu, Jack Rardin. He said he also drove Rardin, CIA officer C.L. Richardson, former CIA Honolulu chief Jack Kindschi, and celebrities or foreign magnates including Jack Lord, the sultan of Brunei, Enrique Zobel, the earl of Tyrone, Prince Saud Mohammad of the United Arab Republic and Prince Raymond Bhan of Malaysia. Kipuli said he invested over \$70,000 himself in the company because "I was really impressed with

the CIA" connection that Rewald had told him about.

- Gardell Simpson Jr. of Pacific Resources Inc. testified that he tried to get Rewald appointed honorary consul for Indonesia when he became concerned that PRI would no longer pay Simpson's \$20,000 salary and \$60,000 in expenses to maintain the consulate office here. Simpson said PRI's interest in the consulate was to maintain goodwill with one of its principal petroleum sources, but that he thought PRI's Jerry Rehberg, who was the honorary consul, might retire and that the funding might end.

Simpson insisted the \$5,000 credited to his own Bishop Baldwin account was cash from his own file cabinet, despite defense suggestions that Rewald opened Simpson's account to pay him for a trip in which Simpson touted Rewald as a prospective honorary consul. Simpson said he knew nothing of Rewald's CIA ties at the time.